

# **EXHIBIT**

**C-57**

Exhibit C-57

Message

---

**From:** Redfish [redfish@lambdaprimo.org]  
**Sent:** 3/17/2012 1:11:22 AM  
**To:** 'permit1@lambdaprimo.org' [permit1@lambdaprimo.org]  
**Subject:**

Bob,

Further to my earlier email, Carl Linnecke reports that Yale Lewis, the prospective tenant for Henke looks credit worthy. Ed Zasacky has obtained a credit report.

Should I sign the lease for Henke?

Evatt

# **EXHIBIT**

**C-58**

## Exhibit C-58

## Message

---

**From:** Redfish [redfish@lambdaprimetime.org]  
**Sent:** 8/29/2010 9:12:33 AM  
**To:** 'permit1@lambdaprimetime.org' [permit1@lambdaprimetime.org]  
**Subject:** FW: tax returns  
**Attachments:** Henke Prop 2009.pdf; MQ 2009.pdf

---

Bob,

Carl Linnecke has raised an issue about the depreciation of some of the Henke and Mountain Queen assets including the capitalization of the hydro project costs for Mountain Queen.

Do you have any comments or concerns regarding this?

Evatt

Evatt,

I sent you financial statements for Mountain Queen and Henke Property, LLC back in January of 2010 for the 2009 tax year. Here are the files. Please let me know if you noted any items you thought should be changed or capitalized. I am ready to file the tax returns and wanted to confirm that you did not have any changes before doing so.

I have included depreciation so all adjustments have been made. I think we should capitalize the hydro project costs for engineering and legal for Mountain Queen. I would just carry it as an "other asset" until we decide to build it or abandon it. It is currently expensed on the Statement of Revenues & Expenses. That will reduce the loss by \$56,186. Let me know what you think.

Best regards,

Carl B. Linnecke, CPA

# **EXHIBIT**

## **C-60**

## Exhibit C-60

### TO DO LIST – TANGARRA

revised April 26, 2009

#### DON'S WIND-DOWN TO THE USA

- Don's offshore files are transferred to a PC operating in France that is dedicated to him
- reference to all offshore files including structure maps and image library to be done using RADMIN software into a PC in France that has these files

#### VISTA EQUITY FUND

- provision of quarterly reports on all portfolio companies to Bob – Evatt to follow up with John at Vista

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [

## Exhibit C-60

### PROJECTS – OTHER

- move all unnecessary investors out of Edge as soon as possible
- shut down Software Ltd. – after the last of Mexico clients depart – which is currently happening
- financial reporting spreadsheet – keep up to date ( **publish monthly – currently not happening**)
- make print larger on Cash Report – format for legal size paper for maximum readability
- Ben owns shares in Pilot – need to get undated, signed share transfer agreement

### PROJECTS - TRUSTEES & TRUST PROTECTORS

- document Gordon making decisions
- send financial statements for Reynolds & Reynolds to Gordon  
(have Heather verify that Ken Bunney is doing this)
- have Gordon request annual audit (thru Heather)
- annual review of Carlos Kepke files – to be done on April 27, 2009
- annual trust meeting to be set for early July when Evatt is in Bermuda
- Bob needs to send emails to Gordon – keeping paper copy file
- Evatt needs to have personal contact with Gordon every summer while in Bermuda

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [

## Exhibit C-60

### PRIVATE MUTUAL FUND ADMINISTRATION

-liquidate Arboria

-liquidate Founding Partners

-POINT – Bob Hager is director of Point – since he is involved in potential litigation with Founding Partners, he may need to be replaced

-EDGE – purchase 2<sup>nd</sup> and 3<sup>rd</sup> lien debt at deep discounts

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [



**Exhibit C-60****CURRENT INVESTMENTS – this whole section is suspended due to investment losses**

- Investment Policy for Mutual Fund Investments
  - Class 4 – 0% - money market – hold for emergency transfers
  - Class 3 – 50-60% low risk equity
  - Class 2 – 20-25% medium risk equity
  - Class 1 – 15-20% higher risk equity
- Investment Policy for VEFIII
  - 100% in high-tech stock funds
- TradeTrakker
  - Furnish new copies of portfolio whenever buy/sell events take place
- monitor current investment performance
  - 30 day deposits getting 5.25%
  - Kingate – Madoff gets 12-13% **(liquidate)**
  - Galaxy – Madoff gets 12-14% **(liquidate)**
  - Harley – Madoff gets 10-11% **(liquidate)**
  - Galaxy “C” – fund of funds – gets 10-11% **(liquidate)**
  - Founding Partners – getting roughly 12-13%
  - PACE – Arboria – gets 13.25% **(liquidate)**
- follow for any potential recovery
  - Levco is cashing out – verify that this cash came out
  - Bristol – write-off – continue to follow for recovery – partial distribution of \$1.7M received
- complete losses
  - STIR – liquidated at \$5M loss in total
  - Core Digital – write-off
  - Rosefaire FCS 10% interest \$1.8M
  - A/R from Gate –

**NEW INVESTMENTS**

- periodically think about asset allocation
- of short term capital gains is set to expire at 2007 EOY

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

page [ PAGE ] of [

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

## Exhibit C-60

### DOCUMENTS

-two more boxes from the dungeon to be scanned/shredded

### RECORDS

-best solution for safe deposit box is to have a corporation owned by unrelated person own the box – with signature authority to enter box – that way it is never an issue if the person that personally owns a box dies – additionally it is less likely that a person with signature authority to enter box is ever considered a co-owner which causes that person's name to go into some database

### TRIPS

-Bermuda – twice a year in the summer and school break

-Cayman – review legal status of Cayman entities once every two years and to maintain relationship with Trevor Lloyd

-Nevis – meet Ernie Dover once every two years – has no encrypted email, retains everything forever

-USA – twice a year – spring and fall – visit with Don for Aspen fall fishing

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [

## Exhibit C-60

### STRATEGIC LONG-TERM

- Bob & Dorothy redo wills for US estate setting US testamentary trust for care of Robert II
- in the event of premature demise of RTB, offshore world (other than AEBCT and its affiliates) should be held for RTB II to eventually manage
- put in place the Special Limited Testamentary Power of Appointment for all trusts
- questions on US estate tax impact of Special Limited Testamentary Power of Appointment - research issue for some high-powered estate/trust attorney (SAB)
- reduce the number of entities - or at least focus on getting rid of inactive entities

### -The Benevolent

- Platoon – as Mexico phases out
- Advertising Services – as soon as one remaining account is closed

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [

## Exhibit C-60

### COMMUNICATIONS/PC ISSUES

- large UPS boxes should be purchased and deployed to keep RADMIN laptops and DSL modems up and running during French power outages
- test test the process by which a laptop goes into "sleep" mode, yet can be awakened by incoming activity on the RJ45 port
- move houstonfishingservice.com to France with RTB II help
- set up second email account in Bob's name on Reynolds officer server for use with web-based email
- relevant emails should be saved in word processing format
- spreadsheets should be saved in .wk4 or .xls format
- accounting systems save files in their own format
- quarter and year-end reports should be saved in .pdf format
- above items should be archived on CD-ROM for offsite secure storage
- emails and reports from accounting systems should be saved as part of the regular image file process

### STANDARD MEETING AGENDA

- review cash balances
- review investment performance
- review structure documentation
- discuss status of each structure
- review status of files
- review status of PC systems and software

### ENTITIES IN WIND-DOWN MODE – BUT STILL NOT GONE

- shut down Software BV – in liquidation process – final complete in 2017

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

page [ PAGE ] of [

## Exhibit C-60

### DANGLING THREADS

-CITGO - used to be in BVI, but now Heritage documents that they have are in Georgetown, will be retained forever - used to own CTL, Master, Kojak, Micro-Mainframe, Peters - left there is correspondence with Don, trust deed copies, being returned to BVI hopefully – status is that they cannot find these files

-Bank of Bermuda - there will be some left over internal memos written by bank officers in their personal file at least and there are microfilm copies of incoming mail

-Carlos' correspondence, billing, multiple destination, and computer files (gone)

-files of Ken, Robert, Craig

-Brook Voght=s files - whatever is left on their network server and its backups, same for what is at his new law firm

George Hani=s files - same issue as Brook

Ben's Jiltec and SFL records - initial reply was 10 years - find out what is the situation on Ben=s correspondence files (maybe destroyed by hurricane)

Butterfield Cayman - computerized accounting records of everything - CTL, Jiltec, SFL, Kojak

Baring Bros. - TIL audit reports, Carlos' correspondence, trust variance documents

VP-Bank copying of structure files and who knows what else – Glen Godfrey

VP-Bank bank records

ATU – files left behind

Malta – DBA, Providian – they will not destroy the copy of anything they ever sent out to us

Edge involvement in VEFII

**CONFIDENTIAL - ATTORNEY/CLIENT WORK PRODUCT**

NUMPAGES ]

[ DATE \@ "M/d/yyyy" ] [ TIME \@ "h:mm AM/PM" ]

**page** [ PAGE ] of [

# **EXHIBIT**

## **C-61**

## Exhibit C-61

## Message

---

**From:** Redfish [redfish@lambdaprimo.org]  
**Sent:** 7/28/2010 6:50:01 PM  
**To:** 'permit1@lambdaprimo.org' [permit1@lambdaprimo.org]  
**Subject:** RE:

Bob,

I think that on the Cabot side these suggestions work, although I think you can go one step further and clear out the whole Cabot structure at the same time.

When you roll Addington, Choice and Barrier into Performance (or something like that), effectively you kill off the need for Cabot.

Addington is a sizeable shareholder in Edge, however those holdings can roll into Performance, as well. Some of the Trusts also have shares in Edge, but, again, these would be easy to clear.

I can put something together which would show how this all plays out.

You should note that Endurance is now a Cayman Islands trust, which was established when CIBC took over from Belize. The same applies to Companion which owns Regency down to MQ and Henke.

So far, primarily because of Ben Gillooly, we have never been pushed to identify the assets of either Endurance or Companion. It is only a matter of time before this changes.

Most trust companies such as CIBC would want to know all about the assets and then want a fee commensurate with the value of those assets. We have avoided that so far, however Ben might not be all that far off retirement. Unlike Gordon, Ben as an employed person, will have little choice about his retirement and less control over disclosure.

You should also consider that CIBC must sign all documents pertaining to rolling the assets into Endurance.

We need to get rid of the third party provider.

I think we should consider a new charitable trust established in a known jurisdiction such as Bermuda or the Cayman Islands. Bermuda is the natural choice. Guernsey and Jersey might be options however both are too close to the UK tax system. Already the UK mainland banks operating in those jurisdictions are disclosing details of clients.

We should start with a new private trust company – it is better to get rid of the others. The private trust company could be owned by a purely charitable. There is no benefit or advantage to a purpose trust. The US recognizes the existence of purpose trusts (unlike 10 years ago) however there is still some lingering doubt. Why do anything that would attract attention?

Evatt

---

**From:** Permit [mailto:permit1@lambdaprimo.org]  
**Sent:** Wednesday, 28 July 2010 2:37 PM  
**To:** redfish@lambdaprimo.org  
**Subject:**

Evatt, 7/28/2010

This is the along the lines that I am thinking about:

## Exhibit C-61

- roll the ownership of Addington, Choice, and Barrier into Performance – or just could roll their assets into Performance and kill them completely
- that eliminates the following trusts and all their appendages – Aberdeen, Inverness, Shetland, Legacy, Oxford, and Evergreen
- Endurance is already a pure charitable trust that has some age on it, although it was formed in Belize – which may raise an issue
- Lineage stays in place with Commitment holding multiple options to buy Performance which may/may not ever be exercised – and therefore are silent
- this leaves Cabot and Spartacus still in place

What do you think about this as a step forward?

Further steps could be taken later such as doing away with CABOT

Bob



## Exhibit C-61

### Message

---

**From:** Permit [permit1@lambdaprimo.org]  
**Sent:** 7/29/2010 6:38:22 PM  
**To:** redfish@lambdaprimo.org  
**Subject:**

Evatt,

Let's focus on the Cabot structure clean up for now.

Once we get that figured out, it will be time to address the Edge structure, which is more complex to unwind.

Bob

# **EXHIBIT**

## **C-62**

## Exhibit C-62

**From:** Permit  
**To:** "redfish@lambdaprim.org"  
**Subject:** RE:  
**Date:** Thursday, July 22, 2010 8:30:00 PM

---

Evatt,

From a security standpoint, I think that everything should not be rolled together this tightly.

The two principal entities that we are talking about cleaning up need to be kept separate from the AEBCT structure.

We never can tell what crazy things the house is going to do – and the AEBCT is exposed to them. These other two structures need to be kept way in the background with separate charitable trusts, trust protectors, and underlying companies.

Unfortunately this will not completely simplify and minimize costs as much as we might like – however it would be better than what exists today.

Bob

---

**From:** Redfish [mailto:redfish@lambdaprim.org]  
**Sent:** Tuesday, July 13, 2010 2:25 PM  
**To:** permit1@lambdaprim.org  
**Subject:** RE:

Bob,

My initial thought is one that has some great advantages, but might not appeal to you immediately. It is worth considering, however. I'll set out the idea structure and address the advantages.

#### PROCESS/STRUCTURE

1. Edge requires all non-RTB investors to redeem. This would be simple and I could still look after matters for Rob and Don, but we need to clean them out.
2. Spartacus (Cabot) and Augustus (Edge) return all their holdings to their parent structures. There is no need to worry about losing the US onshore investment vehicle – as you will see below, Rome would still be available for that purpose.
3. The Edge and Cabot group assets are then rolled into either the AEBCT, the AEBGCT or one of your mother's trusts. This can all be done offshore and would not be reportable. I recommend the AEBCT. We have accounts at Bermuda Commercial Bank where these transfers would hardly raise interest.
4. At this point, St John's would then act as Trustee for all assets – regardless of which Trust structure is used.
5. Immediately, St John's establishes two charitable trusts, settling into each trust a sum

## Exhibit C-62

equivalent to the money received from Edge or Cabot. The two trusts are each linked to a specific area in which you are likely to make donations: obviously education and medical research.

6. St John's should obtain BMA permission to act as Trustee to the two charitable trusts, without any difficulty.

## ADVANTAGES

1. The AEBCT – if that Trust is used – is absolutely confirmed as a genuine and substantial vehicle dedicated to charitable giving. This process would substantially strengthen that reputation. The establishment of two purely charitable trusts (of course, with investment powers etc) would be a hard block against all future enquiries from the IRS.

2. After Ventyx, there is a great deal of cash, so explaining source of funds would never be easier. Since all transactions would take place in the one bank in Bermuda, there would be no correspondent bank nor any cash crossing borders (save for closing off Spartacus and Augustus). Not only do we clean out the present structures, but we could also kill off the history by pointing to the VEFII success as the source of funds.

3. In completing this process, St John's would remain in control, which means no third parties becoming involved. Since all bank accounts are already established, there is no need for due diligence from any bank or service provider. We can get away from having private trust companies owned by third parties.

4. We could cut off probably 50-70% of our existing structures – trusts and companies. I am sure that Don would happily roll his stuff into a single trust and company. This is one reservation to this and that is that Edge must stay alive until Founding Partners and Arboria are resolved.

I know that the notion of rolling everything into the AEBCT or one of the other family trusts might not take with you immediately, however I can document this process very well. We could even have Cris Ruffell Smith come to Bermuda to meet with Gordon Howard to evidence the discussions and agreement.

Effectively, Cris would simply recognize that the cost of administering charitable giving is unnecessarily expensive when a known Trust/Trustee could take over. After discussing the matter with the Protector of the various trusts he controls, he would take up a suggestion made by Trevor Lloyd that he consider transferring all assets to St John's provided that charitable trusts are immediately established.

I would recommend steering clear of purpose trusts. They are alright for the most part, but not popular in some jurisdictions. It won't cause any major problem to use one, however what attract attention?

If this suggestion does not interest you, I recommend a simple consolidation of all assets into the two groups with the parent trusts settling the assets into new charitable trusts. In each case I would

## Exhibit C-62

recommend a Bermuda private trust company. It would be easier to control. We could establish charitable trusts to own the shares in the private trust companies: similar to St John's.

Evatt

---

**From:** Permit [mailto:permit1@lambdaprimo.org]  
**Sent:** Tuesday, 13 July 2010 3:02 PM  
**To:** redfish@lambdaprimo.org  
**Subject:**

Evatt,

As I am thinking about how to clean up the other two major structures, the thought that is running thru my head is to move these funds to two new true charitable "purpose" trusts similar to the one that owns Regency.

The reasoning is that it cleans up these two structures forever – yet leaves them available for charitable giving, investment management fee income, investments in real estate, investments in companies, and in the case of dire emergency – for loans to individuals or other entities.

Clearly what has transpired with the Ventyx transaction has bearing on my thoughts – as well as the likelihood of more VEFII portfolio company sales this year.

Please give me your thoughts on this. In particular what kind of trustee structure do you think would be advisable?

Bob

# **EXHIBIT**

## **C-63**

## Exhibit C-63

## Message

---

**From:** Permit [permit1@lambdaprimo.org]  
**Sent:** 12/11/2012 1:31:52 AM  
**To:** redfish@lambdaprimo.org  
**Subject:** RE:

Evatt,

No change desired.

Bob

---

**From:** Redfish [mailto:redfish@lambdaprimo.org]  
**Sent:** Monday, December 10, 2012 7:42 AM  
**To:** permit1@lambdaprimo.org  
**Subject:** RE:

Bob,

I do not know your preference regarding Don's compensation, however the annual payment is structured as a royalty fee paid by Tangarra to Wedge.

This is part of the agreement whereby Wedge sold its book of business to Tangarra.

If you wish to keep Don's compensation going, changing the ownership of the fund companies won't impact on the payment.

If not or if you wish to reduce the payment, then I will talk to Don.

Evatt

---

**From:** Permit [mailto:permit1@lambdaprimo.org]  
**Sent:** Sunday, December 09, 2012 9:15 PM  
**To:** redfish@lambdaprimo.org  
**Subject:** RE:

Evatt,

I agree. Plus I think that Don would agree also – as he does not need to have his trusts come to the attention of the house.

The only issue is that we have to consider Don's compensation with regards to these trusts.

Bob

---

**From:** Redfish [mailto:redfish@lambdaprimo.org]  
**Sent:** Sunday, December 02, 2012 5:53 AM  
**To:** permit1@lambdaprimo.org  
**Subject:**

Bob,

**Exhibit C-63**

As part of a general clean-up, one area that causes me some concern with FATCA looming is the ownership of the common shares in Edge, Cabot and Point. This would also apply to the new entity, Proventus Constans Limited, should that be incorporated as a fund structure rather than a straight tightly held investment vehicle.

The common shares of those there funds are owned by either the Massengill Children's Trust, the Massengill Grandchildren's Trust or the Louise C. Massengill Trust.

Obviously, in each case we have an U.S. person, albeit deceased, as settlor. In each case, we have U.S. beneficiaries notwithstanding that these are fully discretionary trusts. Legally, our position is clear and clean. However, under FATCA we need to assume that banks will decide to play it safe and report the fact of a U.S. settlor and beneficiaries. Neither the banks nor the House will care much about legal niceties.

For the most part, in the now regular due diligence exercises, I get away with disclosing these trusts as the ultimate beneficial owners. In the case of Point where the most disclosures are required because of the Vista activity, I am asked for details of the owners of the common shares even though the substance of the fund links to the AEBCT.

To us, it is clear that the ownership of the common shares means little since the value in the fund is linked to the investment shares which are owned by other companies. For Cabot and Edge, all holders of investment shares (with the exception of Lakewood) are companies that are ultimately owned by the new pure charitable trusts.

Having the common shares owned by these trusts does not add in any way to the protection of the assets. The use of the trusts was simply an expedient at the time of the creation of the funds. To change to a different ownership structure – and I recommend a simple purpose trust with the existing trustee and protector – would strip out an unnecessary complication of the U.S. settlor and beneficiaries. I can't see any downside.

Further, if the funds were subject to a review by the House, they would work backwards to Don through these existing family-connected trusts.

In the past year we have cleaned up the investor side of these funds (excepting Point) to put them in purely charitable trusts.

I think we should now clean up the common share side.

Should you agree and should you think that a purpose trust is the right way to go, I would propose creating the trusts and then transferring the shares of each underlying company from the existing trust to the new purpose trust. The purpose trust itself would have charitable objects and a beneficiary clause that provides that at the end of its life/purpose, the assets of the trust would be applied to recognized charities.

Of course, at the end of the life of the purpose trust there would be no assets, but this is a fudge so that we have a dressed up charitable purpose.

The change would be very simple and could all be completed in a few days.

I would then contact the banks, Vista etc. to advise that the new ownership.

Evatt



# **EXHIBIT**

## **C-64**

## Exhibit C-64

### Message

---

**From:** Redfish [redfish@lambdaprimo.org]  
**Sent:** 3/6/2013 5:54:06 PM  
**To:** 'permit1@lambdaprimo.org' [permit1@lambdaprimo.org]  
**Subject:**

Bob,

As part of the clean up ahead of the many changes brought in by FATCA and other increased KYC scrutiny, I have moved the ownership of the common shares (i.e. non-investment shares) in Edge, Cabot and Point to new charitable purpose trusts.

In each case this takes out any connection to Melissa Jones' parents.

We had discussed this some months back. I also spoke to Don who was in complete agreement and would prefer not to have the Massengill name associated with potential IRS scrutiny.

The changes have minimal impact as there is no value attached to the common shares.

I will bring hard copies of the signed trust deeds to Houston for filing.

Evatt

# **EXHIBIT**

**C-65**

**Exhibit C-65**

To: Bob Brockman

From: Evatt Tamine

Date: March 10th, 2014

Subject: 2013 Performance Evaluation

This year has been dwarfed in terms of effort by the events of mid-year involving Centre College and the recapitalization. There has also been further changes in structures and responsibilities. I think there has been further improvement in my accounting skills. There has also been an increased profile as the principal person effectively acting as trustee.

**What went well?**

1. Obviously the effort with Centre College and the recapitalization was, despite the end result, huge. I worked long hours, seven days a week for three months notwithstanding that I was with Sophie during a difficult birth and a hernia operation. My focus never wavered.
2. As part of this effort, I was able to demonstrate to a large number of lawyers that as Trustee I was truly independent, making decisions on a wide range of topics. Where I had to come to you for some direction, I was able to do so without betraying any hint that you were involved. In the event that the transactions were challenged, I know there would be a dozen lawyers who would attest to my independence. I was able to achieve this because of my level of knowledge, experience and competence. Gordon Howard in the same situation would have had to depend on you, thus undermining the notion of independence.

**Exhibit C-65**

3. This year I successfully worked through improving financial reporting, particularly for Point Investments Ltd. The migration to new accounting software was successful. Though we are yet to receive the Point audit, this is not my fault, but through a regular turnover of staff at PWC.
4. An area where I have further built on a successful 2012 is that I have been able to successfully set up far more logical accounts and produce informative and accurate financial reports. In fact, I proposed, and implemented, a number of changes to the method of accounting which have been highly helpful in producing better accounts.
5. I now feel far more confident in financial reporting and have also improved the accounting for Cabot and Edge.
6. The strategy of investing into debt has been highly successful this year. Cabot is almost completely invested in debt, producing very good interest returns. Edge has started with some large investments in SumTotal debt. I have managed these investments all the way through the assignment process (without incurring any outside fees). I have good relationships with debt brokers at Deutsche Bank and Jefferies. I have also met with Credit Suisse, though we are yet to buy any debt through them. Debt opportunities are harder to come by now with a great deal of competition, but opportunities are still regularly offered to me. I have been joining the various bank calls, which has vastly improved my knowledge on the sort of matters seen as important by those lending to businesses.
7. One of the areas where I believe I have done very good work over the years and, in particular, last year, is the production of reports on a number of topics. These reports are sent in a timely fashion (where the information is available) and are designed to quickly put you in a position to fully understand where we are any particular topic. Examples of these reports are the Cash Report, the Vista

## Exhibit C-65

Transaction Report, the Significant Transaction Report, the various Debt Reports, the Fees and Expenses Report etc. I believe that I am also innovative in devising new reports and improving on existing reports.

8. I continue to enjoy a very good relationship with Robert Smith and his team at Vista. I believe that I am very strong in representing Point's interests while at the same time being responsive to the needs of Vista in carrying out their various transactions. Our need to be involved in this area is because Point owns more than 10% of two of the funds and as such is often subject to enhanced due diligence. I manage this process myself which is a lot more effective and ensures that only the information we are prepared to disclose is released.
9. I have continued the process of re-structuring the entities under my control. The number of trusts and companies have been reduced. While some new trusts and companies have been established, these are in place to ensure that it is even more difficult for an outside regulator to connect you to activities. It is a clean start covering our tracks so that no service provider can prejudice us with information from years ago. The key however is control of our destiny.
10. I have maintained an email server through two computers for that server. I have maintained a detailed, comprehensive and accurate guide on the server, the Radmin computers, configuration of the routers and the local area networks. I feel very confident that I can adequately address any problem that arises (with input and guidance from you, of course).
11. Once again, a great deal of time in the year was spent successfully bringing Founding Partners nearer to a commercial resolution which will see the best prospect of return. In the last year I have been the principal player in

## Exhibit C-65

pushing us towards closing on the hospitals. The US receiver continues to delay matters, but I have been successful in pushing him hard towards that closing. I do not want to overstate this, but I really believe that I am one of the few people in this Founding Partners debacle that is generally acknowledged as knowing what I am doing. Unfortunately our destiny is in the hands of others.

12. A key part in achieving the result I did with Founding Partners (and all other successes in 2013) was my willingness to give all the time necessary to get the work done. This often meant working very long hours, which I did without hesitation. It helped that I work from home so that I did not feel like I was neglecting the family. Even while I was on vacation in Australia I worked at least 4-5 hours each morning and all day on some occasions.
13. This year has seen me further establish my position as the figure head of the AEBCT and the other trusts.
14. In terms of the charitable activities, I continue to make a greater contribution than Gordon Howard had in the past. Obviously, there was substantial work with John Roush and Richard Trollinger at Centre College. Though things ended badly, we remained cordial particularly between myself and Richard Trollinger. I am in touch with Rice regarding the opera theater. These activities would work as a strong barrier against an attack from the IRS.
15. I have maintained in this last year - particularly with regard to Tie Camp Ranch property - a very strong and close working relationship with Carl Linnecke. At times Carl has found himself in tricky situations, e.g. with the Aspen Valley Land Trust and Bart Chandler. I think he appreciates the

## Exhibit C-65

support he has got from me and that has filtered down to David Finholm and the others.

16. The reduction in the number of outside service providers or, where we still use them, the reduction in the work they do for us also means that we control the knowledge of our affairs. I have also ended the relationship with Peter Poole and Sable Trust save for their role as the resident representative of the new private trust companies. That new role does not require that they have access to any financial or other data. The substantial reduction in the work they do was made on the very amicable terms.
17. An important aspect to having control of our destiny and not being at the mercy of service providers is that we are less likely to suffer loss through fraud etc. Over the past year I have seen the operation of several trust companies in Bermuda. Unlike Grosvenor, these are trust companies run by people without the integrity of Gordon Howard. I have seen examples of trust assets being sold without an accounting for the proceeds. The fact is that the trust industry is filled with shady characters. This is not so much something that I am doing well, but rather the benefit of all the work that went into creating the structures as they are today. While it means a lot more work for me, we have better control and less fees.
18. As I reported last year, holding the key directorships that I now do, I do not have to go out to anybody to have documents signed. We control the information. I manage to turn documents around in minutes using digital signatures. I no longer have to wait for documents to be signed. This process also fits more neatly into our database as the documents are created in the database and saved there with signed copies. This is a very streamlined process now.



## Exhibit C-65

19. In the ever more complicated world of KYC and due diligence, I have managed to establish and/or maintain very good relationships with the banks. I am managing a very quiet shift away from Bermuda Commercial Bank.
20. I continue to document the movement of assets within the group, creating a proper commercial basis for all asset movements with the paper trail. This is also supported by the Significant Transactions Report.
21. On many occasions this year – and the number increases each year – I have successfully undertaken tricky due diligence exercises. In the past most enquiries were generated by Vista's investments where we are pressed on Point's beneficial ownership; however there has been a significant increase in the number of enquiries for Spanish Steps, Edge and Cabot - particularly following the increase in debt investment. On each occasion I have walked us through the process with minimal disclosure.
22. My financial reporting is working very well now. I can turn around the cash report within a week or so of month end. While I do not always have the Point numbers, this is a vast improvement on where you were years ago. I have also added ideas to the reports which I have created. I am not content to use the same old report, but am always looking for ways to improve the quality and accuracy of the information reported.
23. Throughout the year I have regularly updated the report on fees and expenses. You will recall that I created the detailed report for the years 2005-2011. I have already delivered the report for 2012 (with the previous seven years) and have completed the 2013 report where information is available. This is something you have not regularly received in the past. It is now standard operating practice.

## Exhibit C-65

24. I have maintained the Radmin computers and the Linux email servers with very little disruption this year. I believe that I continue to improve my skills in the IT area. On a personal level, my computer setup had very few problems and such problems as I encountered I was usually able to fix myself. I believe that I have had some ideas which are beneficial, e.g. using two external hard drives for True Image backups. I am working as my own IT department.
25. I have maintained very good working relationships with all key people. I stay in contact regularly with Don and Cris Ruffell Smith.
26. I continue to continue to maintain a now settled system of getting original documents to Houston with a detailed inventory. An inventory is also maintained for the Bermuda documents. A project for the next time you visit Bermuda is to fly the Bermuda documents to Houston for incorporation into the Houston inventory. I have thought of taking these to Houston myself, but the risk of search at Bermuda airport or the loss of a suitcase is too great.
27. Maintaining the document database.
28. Continuing the control of all companies and trusts with no compliance problems.
29. Continuing in a very good relationship with Don and Melissa.
30. On a personal note the year has again been highly successful. Family life has been wonderful for me. The relationship with Sophie and the girls is

## Exhibit C-65

extremely strong and we enjoy each other's company. The new baby has been an added joy. Sophie has been trying to make sure that I eat very well and get in some exercise.

## Exhibit C-65

### Things that need improvement:

1. As was the case last year I feel that I made some poor choices on prioritizing work. This is something that I need to work on. I believe that I delayed on delivering some projects to you because I focused on some of the less important projects.
2. I must exercise more. This is something that I need to be concerned about. Sophie has me eating very well. I no longer drink sodas and have very little alcohol, however making time to get on the treadmill (which is here in the house) proves difficult. This was another particularly busy year and I hope that our streamlined processes will allow me more time to exercise. Coupled with the diet Sophie has me following, I hope that this is achievable this year.

### Conclusion:

Again, this has been an exceptionally busy year particularly around the Centre debacle. I believe we solidified many of the changes that we went through in the past two or three years. I think that I have fully grasped the ideas behind accounting.

I believe that I successfully act in all the following areas: trust and corporate administrator, investment manager, accountant, lawyer and IT support.

I am proud of my efforts and I feel that 2013 has been my best year in the ten years since I came out to start working with Don.

I have achieved my goals with the minimum of outside input, which works well for us.